

## Minerals Management Service

[www.mms.gov](http://www.mms.gov)

### Geothermal Energy: What is MMS's Role?

The Energy Policy Act of 2005 mandates the development of a new system for determining the value of geothermal energy from Federal lands. Working with the Department of the Interior's Office of the Solicitor and the Bureau of Land Management (BLM), the Minerals Management Service (MMS) is developing this new system. Final rules for the new system (for both BLM and MMS) are targeted to appear in the "Federal Register" in the spring of 2007.

Key aspects of the new system are:

- New regulations for geothermal leasing, exploration, and development;
- New, simplified methods of calculating royalty owed on electricity produced by geothermal energy;
- A system to disburse geothermal revenues at the state and county level;
- A system of credits that allows companies to offset royalties against in-kind electricity provided to a state or county government;
- Lower royalty rates for the first 10 years of production for new development;
- Fees for geothermal energy used for purposes other than electricity; and,
- A special U.S. Treasury account – available to the Secretary of the Interior and the U.S. Forest Service – for depositing rent, royalties, and other payments for a 5-year period. The funds will also be used to cover costs associated with implementing the Geothermal Steam and the Energy Policy Acts.

Currently, the MMS collects approximately \$11.5 million in geothermal revenues every year from geothermal production on Federal lands.

#### A Word on the Budget

This program is shown under BLM in the President's proposed budget and no funds are included for fiscal 2008

MMS manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenues with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water Conservation Fund and other special use funds. In Fiscal Year 2006, disbursements were made of approximately \$12.8 billion, totaling nearly \$164.9 billion since 1982.

For more information on the Minerals Management Service, go to [www.mms.gov](http://www.mms.gov).



**Energy – MMS – Value**